



TELECOMMUNICATIONS MARKET SNAPSHOT: ISRAEL

Key Statistics

Population	7,473,052 (July 2010 est.)
GDP	\$217.1 billion (2010 est.)
Per capita GDP	\$29,500 (2010 est.)
Main lines	3.25 million (2009)
Teledensity	45.33% (2009)
Mobile subscribers	9,022,000 (2009)
Mobile penetration	125.84% (2009)
Internet users	4.525 million (2009)
Internet penetration	24.31% (2008)
Broadband subscribers	1,850,000 (2009)
Spending on telecom equipment and services	\$6,032.2 million (2009)
U.S. equipment exports to market	\$160,028,756 (2010)

Sources: CIA World Factbook, USITC, WB, ITU and Worldwide Black Book

Market Overview

The mobile market in Israel is growing, but it is the belief that this market is nearing saturation. As a result, operators are focusing on increasing the use of mobile data and content services among the customers they already have. The major operators include Cellcom, which holds 34.4% of the market, Partner with 31.8%, Pelephone with 28.8% and MIRS with 5%.

In the broadband market, a third infrastructure provider, state-owned Israel Electric Corporation (IEC), has recently received approval from the government to establish a high-speed network based on its own extensive fibre-optic and copper cable backbones. The two operators in this market are Bezeq, which holds a majority of the market with 1.026 ADSL subscribers in 2009, and 012 Smile Communications. In order to ensure more fair competition in the telecom market, the government appointed members to the Gronau committee. In 2008, the committee recommended that Bezeq be required to allow other players to access its national network.

Bezeq has also dominated the fixed-line market, which is in decline, holding a monopoly until 2004 when HOT Telecom entered the market. In 2008, Bezeq served 2.682 million fixed-line connections and requested permission to offer VoIP services.

Telecom Trade Agreements

WTO

Israel has made commitments covering basic and telecom services in the World Trade Organization (WTO). For a list of the country's commitments, go to http://www.wto.org/english/tratop_e/serv_e/telecom_e/telecom_commit_exempt_list_e.htm.

Israel is also a signatory to the WTO Information Technology Agreement, which completely eliminates duties on a variety of info-communications technology products by January 2000.

Leading Service Providers

012 Smile Communications

<http://www.012.net/>

Bezeq

<http://www.bezeq.co.il/>

Cellcom

<http://www.cellcom.co.il/>

MIRS

<http://www.iaesi.org.il>

Partner

<http://www.orange.co.il/>

Pelephone

<http://www.pelephone.co.il/>

Contacts

Regulatory

Ministry of Communications (MoC)

www.moc.gov.il/130-en/MOC.aspx

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